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EXTRAORDINARY

PART I—Section 1

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MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 26th April 1956

SUBJECT:—*Transfer of Quota Rights.*

No. 18/56.—The general principles followed in dealing with requests for transfer of quota rights are given in paragraphs 17-18 of Hand Book of Export Trade Control, and paragraphs 74-75 of Import Policy Red Book for the period January—June 1956. The question of simplifying the procedure set out in the above publications has been considered, and the following decisions are announced for the information of the trade:—

Limited Companies.—Transfer of quota rights will not be necessary, where there is a change of managing director(s)/director(s) of a limited company.

Registration of documents.—Under the current rules, all transfers or changes in the constitution etc. of a firm are to be made by a deed registered with the Registrar of Documents. This formality will not now be necessary in the following types of cases:—

- (i) where a Deed has been executed prior to the issue of Public Notice No. 15-ITC (P.N.)/52, dated 28th February 1952;
- (ii) family concerns *i.e.* where father/mother takes in his/her son(s)—daughter(s) as partner(s) and *vice versa*;
- (iii) cases involving change of name without any change in the constitution of the firm;

- (iv) cases of devolution *viz.* where the proprietor of a firm dies, and his legal heir or heir(s) take over the business; and
- (v) where a partnership is reconstituted on the death or retirement of a partner or partners, provided the Deed of Partnership stipulates in clear terms that the partnership will not be dissolved in the event of such a contingency.

Interim Relief.—Registration of documents ordinarily takes about 2–6 months. To avoid hardship to the trade, claims for the transference of rights will not be considered on the basis of a copy or copies of the relevant deed or deeds duly certified by the Solicitors of the applicants or a Notary Public that it is a true copy of the original deed lodged for registration with the Registrar of Documents. The original receipt issued by the Registrar should also be produced alongwith the certified copies of the agreement(s). In such cases, transfer of quota rights, if otherwise due, will be allowed subject to production of the original deed or deeds in due course.

Decentralisation.—Powers have already been delegated to the Licensing Authorities at ports to deal with cases where there is a change of name and style of a firm, without any change in its constitution *vide* Public Notice No. 54/55, dated 17th September 1955. They will also now deal with applications for transfer of rights in the case of family concerns *viz.* where a father/mother takes his son(s) and/or daughter(s) as partner(s) in his/her business and *vice versa*. In the latter types of cases, the applicants should apply to the Licensing Authority concerned supported by the usual advertisement cuttings and income-tax clearance certificates—as prescribed in the above publications and an affidavit from all the partners of the reconstituted firm to the effect that:—

- (i) they have taken over the entire business of the outgoing proprietary concern together with all its assets, liabilities and goodwill, and
- (ii) the proprietor of the outgoing firm has relinquished all his right in favour of the new partnership concern and will not henceforward claim import export licences either as an established importer/exporter or as a new-comer or in any other capacity from any Licensing Authority in the name of or on the basis of past imports/exports/business of the outgoing firm.

S. N. BILGRAMI, Jt. Secy.